

Senate File 447 - Introduced

SENATE FILE 447

BY DICKY

A BILL FOR

1 An Act relating to the individual income tax credits for fire
2 fighters, emergency medical services personnel members, and
3 reserve peace officers by increasing the amounts of the
4 credits, and including retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.12, subsection 1, paragraphs b and c,
2 Code 2021, are amended to read as follows:

3 *b. "Emergency medical services personnel member" means an*
4 *emergency medical care provider, as defined in section 147A.1,*
5 *who is certified as a first responder pursuant to chapter 147A,*
6 *and who receives an amount equal to or less than five thousand*
7 *dollars in annual compensation for performing emergency medical*
8 *services.*

9 *c. "Reserve peace officer" means a reserve peace officer*
10 *as defined in section 80D.1A who has met the minimum training*
11 *standards established by the Iowa law enforcement academy*
12 *pursuant to chapter 80D, and who receives an amount equal to*
13 *or less than five thousand dollars in annual compensation for*
14 *performing reserve peace officer services.*

15 Sec. 2. Section 422.12, subsection 1, Code 2021, is amended
16 by adding the following new paragraph:

17 NEW PARAGRAPH. *0c. "Fire fighter" means an individual that*
18 *meets all of the following requirements:*

19 (1) The individual is an active member of an organized
20 volunteer fire department in this state or is performing
21 services as a fire fighter for a municipality, township, or
22 benefited fire district at the request of the chief or other
23 person in command of the fire department of the municipality,
24 township, or benefited fire district, or of any other officer
25 of the municipality, township, or benefited fire district
26 having authority to demand such service.

27 (2) The individual receives annual compensation equal to
28 or less than five thousand dollars for performing fire fighter
29 services.

30 Sec. 3. Section 422.12, subsection 1, paragraph f, Code
31 2021, is amended by striking the paragraph.

32 Sec. 4. Section 422.12, subsection 2, paragraphs c and d,
33 Code 2021, are amended to read as follows:

34 *c. (1) A ~~volunteer~~ fire fighter and ~~volunteer~~ emergency*
35 *medical services personnel member credit equal to one ~~hundred~~*

1 thousand dollars to compensate the taxpayer for the ~~voluntary~~
 2 ~~services~~ if the ~~volunteer~~ taxpayer served for the entire tax
 3 year. A taxpayer who is a paid employee of an emergency
 4 medical services program or a fire department and whose
 5 compensation disqualifies the taxpayer for the credit but who
 6 is also a ~~volunteer~~ an emergency medical services personnel
 7 member or ~~volunteer~~ fire fighter ~~in a city, county, or area~~
 8 ~~governed by an agreement pursuant to~~ chapter 28E for another
 9 governmental entity where the emergency medical services
 10 ~~program or fire department performs~~ compensation for the
 11 performance of such services, qualifies the taxpayer for
 12 the credit shall qualify for the credit provided under this
 13 paragraph "c".

14 (2) If the taxpayer is not a ~~volunteer~~ fire fighter or
 15 ~~volunteer~~ emergency medical services personnel member for
 16 the entire tax year, the maximum amount of the credit shall
 17 be prorated and the amount of credit for the taxpayer shall
 18 equal the maximum amount of credit for the tax year, divided
 19 by twelve, multiplied by the number of months in the tax year
 20 the taxpayer was a ~~volunteer~~ fire fighter or emergency medical
 21 services personnel member. The credit shall be rounded to the
 22 nearest dollar. If the taxpayer is a ~~volunteer~~ fire fighter or
 23 emergency medical services personnel member during any part of
 24 a month, the taxpayer shall be considered a ~~volunteer~~ in such
 25 position for the entire month. If the taxpayer is a ~~volunteer~~
 26 fire fighter and a ~~volunteer~~ an emergency medical services
 27 personnel member during the same month, a credit may be claimed
 28 for only one ~~volunteer~~ position for that month.

29 (3) The taxpayer ~~is required to~~ shall have a written
 30 ~~statement~~ approval from the fire chief or other appropriate
 31 supervisor ~~verifying that the taxpayer was a volunteer fire~~
 32 ~~fighter or volunteer emergency medical services personnel~~
 33 ~~member for the months for which the credit~~ prior to claiming
 34 the credit under this paragraph "c" ~~is claimed~~. The fire chief
 35 or other appropriate supervisor may utilize the approval of

1 the tax credit to ensure a fire fighter or emergency medical
 2 services personnel member meets training or other requirements
 3 specified by the department or program.

4 *d.* (1) A reserve peace officer credit equal to one ~~hundred~~
 5 thousand dollars to compensate the taxpayer for services as a
 6 reserve peace officer if the reserve peace officer served for
 7 the entire tax year.

8 (2) If the taxpayer is not a reserve peace officer for
 9 the entire tax year, the maximum amount of the credit shall
 10 be prorated and the amount of credit for the taxpayer shall
 11 equal the maximum amount of credit for the tax year, divided
 12 by twelve, multiplied by the number of months in the tax year
 13 the taxpayer was a reserve peace officer. The credit shall be
 14 rounded to the nearest dollar. If the taxpayer is a reserve
 15 peace officer any part of a month, the taxpayer shall be
 16 considered a reserve peace officer for the entire month.

17 (3) If the taxpayer is a reserve peace officer, fire
 18 fighter, or an emergency medical services personnel member
 19 ~~during the same month as the taxpayer is a volunteer fire~~
 20 ~~fighter or volunteer emergency medical services personnel~~
 21 ~~member, as defined in this section,~~ a credit may be claimed for
 22 only one position for that month under either paragraph "c" or
 23 this paragraph "d".

24 (4) The taxpayer ~~is required to~~ shall have a written
 25 ~~statement~~ approval from the chief of police, sheriff,
 26 commissioner of public safety, or other appropriate supervisor
 27 ~~verifying that the taxpayer was a reserve peace officer for the~~
 28 ~~months for which the credit~~ prior to claiming the credit under
 29 this paragraph "d" ~~is claimed.~~ The chief of police, sheriff,
 30 commissioner of public safety, or other appropriate supervisor
 31 may utilize the approval of the tax credit to ensure a reserve
 32 peace officer meets training or other requirements specified
 33 by the department.

34 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
 35 retroactively to January 1, 2021, for tax years beginning on

1 or after that date.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill relates to the individual income tax credits for
6 volunteer fire fighters, volunteer emergency medical services
7 personnel members, and reserve peace officers by increasing the
8 amounts of the credits, and including retroactive applicability
9 provisions.

10 The bill modifies the tax credit by allowing a fire fighter,
11 emergency medical services personnel member, or reserve
12 peace officer to qualify for the credit if such an individual
13 has annual compensation equal to or less than \$5,000 in the
14 performance of services attributable to the position.

15 The bill increases from \$100 to \$1,000 the maximum amount
16 of the tax credit per individual for services performed during
17 the year. The tax credit increase applies retroactively to tax
18 years beginning on or after January 1, 2021.

19 The bill also modifies the tax credit by requiring a fire
20 fighter, emergency medical services personnel member, or
21 reserve peace officer to obtain written approval from their
22 supervisor prior to claiming the tax credit. The bill does
23 eliminate specific training requirements for a fire fighter
24 to be eligible for the tax credit, but the bill allows a
25 supervisor to utilize the approval of the tax credit to ensure
26 the individual meets training or other requirements specified
27 by the department or program. Currently, such an individual is
28 required to obtain a written statement from their supervisor
29 verifying the individual was in such a position for the months
30 the credit is claimed.

31 The bill also rearranges the definitional portion of Code
32 section 422.12, which is in alphabetical order, due to the
33 strike of the term "volunteer".